

make certain payments to Plaintiffs and shall become signatories to, and receive the protections of, a second partial consent decree (the "Second Partial Consent Decree") to be signed by the Parties and presented to the Court for approval in the Litigation.

WHEREAS, as part of the settlement in principle negotiated by Hawker and Wag/Bas with Plaintiffs, Plaintiffs have represented that if Hawker and Wag/Bas reach agreement with any or all of their third-party defendants to settle the third-party claims raised in the Litigation and, pursuant to such agreements, third-party defendants contribute money towards the settlement of Plaintiffs' claims against Hawker and Wag/Bas, then said third-party defendants may also become signatories to, and receive the protections of, the Second Partial Consent Decree.

WHEREAS, Hawker and Wag/Bas and Parker and Inchcape have reached settlements in principle with respect to the third-party and other claims they have raised in the Litigation, including the basis on which Parker and Inchcape each will contribute certain amounts in connection with the settlement Hawker and Wag/Bas will enter into with Plaintiffs and in return therefor receive the protections of the Second Partial Consent Decree and certain additional releases as herein provided, and in the interests of avoiding further litigation and without making any admission as to the claims raised, the Parties desire to enter into this Agreement for the purposes just stated.

WHEREAS, in anticipation of such settlement, on or about April 3, 1996, Hawker, Wag/Bas, Parker and Inchcape (plus third-party defendants Electronic Solutions and Zero, which will not be parties to either this Agreement or the Second Partial Consent Decree) entered into an agreed stipulation to dismiss without prejudice ("Dismissal"), all claims in the Third-Party Action, whether counter, cross or third-party, with each party to bear its own attorneys fees and costs of suit.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which from each to the other is hereby acknowledged, the Parties agree as follows:

1. Parker and Inchcape shall each pay to Plaintiffs the sum total of One Hundred Fifty Thousand Dollars (\$150,000), for total payment of Three Hundred Thousand Dollars (\$300,000), as contributions to the settlement negotiated between Hawker, Wag/Bas and Plaintiffs, pursuant to and in accordance with the terms of the Second Partial Consent Decree to be signed by the Parties, including Parker and Inchcape. Hawker and Wag/Bas shall make payments required of them under the Second Partial Consent Decree.

2. In consideration of the payments described in paragraph 1, Hawker and Wag/Bas and their respective parents, subsidiaries, and affiliated companies, and their respective directors, officers, shareholders, employees and agents shall fully and forever release and discharge each of Parker and Inchcape and their respective parents, subsidiaries, and affiliated companies and their respective parents, subsidiaries, and affiliated companies

and their respective directors, officers, shareholders, employees, and agents from: (a) any and all claims which have been raised in the Litigation and are settled by the Second Partial Consent Decree, including, but not limited to all past, present, and future investigation, remediation and related costs associated with the NHOU interim remedy and for past SFVB basin-wide costs through April 30, 1992, but not including any future claims arising out of future NHOU or SFVB regional groundwater investigation or remediation; and (b) any and all claims for all past, present and future investigation, response, remediation, or attorneys', consultants', and experts' fees associated with any investigation or remediation, whether voluntary or required of the Site, including Site soils (or other soils impacted by migration of contaminants from Site soils) and Site groundwater cleanup, if any.

3. In consideration for the releases provided by Hawker and Wag/Bas to Parker and Inchcape, and the performance by Hawker and Wag/Bas of their obligations hereunder, and subject to the provisions of paragraph 6 hereof, Parker and Inchcape and their respective parents, subsidiaries, and affiliated companies, and their respective directors, officers, shareholders, employees, and agents shall fully and forever release and discharge Hawker and Wag/Bas and their respective parents, subsidiaries and affiliated companies, and their respective directors, shareholders, employees, and agents from: (a) any and all claims which have been raised in the Litigation and are settled by the Second Partial Consent Decree, including, but not limited to all past, present, and future investigation, remediation and related costs associated with the NHOU interim remedy and for past SFVB basin-wide costs through April 30, 1992, but not including any future claims arising out of future NHOU or SFVB regional groundwater investigation or remediation; and (b) any and all claims for all past investigation, response, remediation, or attorneys', consultants' and experts' fees which may

have been previously incurred by Parker or Inchcape and which are associated with any prior investigation or remediation, whether voluntary or required, of the Site, including Site soils (or other soils impacted by migration of contaminants from Site soils) and Site groundwater cleanup, if any.

4. In consideration for the releases provided by Parker and Inchcape to each other and the performance by Parker and Inchcape of their obligations hereunder, Parker and Inchcape and their respective parents, subsidiaries, and affiliated companies, and their respective directors, officers, shareholders, employees, and agents shall fully and forever release and discharge each other and their respective parents, subsidiaries, and affiliated companies, and their respective directors, officers, shareholders, employees, and agents from (a) any and all claims which have been raised in the Litigation and are settled by the Second Partial Consent Decree, including but not limited to all past, present and future investigation, remediation and related costs associated with the NHOU interim remedy and for past SFVB basin-wide costs through April 30, 1992, but not including any future claims arising out of future NHOU or SFVB regional groundwater investigation or remediation; and (b) any and all claims for all past investigation, response, remediation, or attorneys', consultants', and experts' fees which may have been previously incurred and which are associated with any prior investigation or remediation, whether voluntary or required, of the Site including Site soils (or other soils impacted by migration of contaminants from Site soils) and Site groundwater cleanup, if any.

5. As additional consideration, upon the entry by the court of the Second Partial Consent Decree, the Parties (a) agree to dismiss without prejudice all claims against each

other in the Litigation; and (b) agree and covenant not to sue each other with regard to any of the claims released in paragraphs 2, 3 and 4 above. The Parties further agree that: (a) each party shall bear its own attorneys' fees and costs of suit; and (b) in this or in any other litigation, no party shall attempt to recover some or all of its attorneys' fees and costs of suit relating to the Litigation; and (c) the Parties shall not refile claims against each other in the Litigation.

6. Nothing herein shall be interpreted or construed (a) to limit, alter or amend in any way any rights or obligations of any of the Parties to the Agreement of Purchase and Sale of Assets between Hawker and Inchcape [as Flight Accessory Services, Inc.] dated February 25, 1987 and the Asset Purchase Agreement between Parker and Inchcape [as Atkins, Kroll & Co., Ltd.] dated August 2, 1982, all of which shall be preserved. Without limitation, the Parties reserve all rights, claims and defenses relating to their respective liabilities and obligations under the above agreements; or (b) as an admission of or by any party of any question of fact or law, or as a waiver of any defense, and this Agreement may not be used or asserted by any party hereto or any third party (including any administrative agency) as a precedent in any litigation or other proceeding. No party may introduce this Agreement into evidence in any action or proceeding, other than an action or proceeding to enforce the terms hereof or a party's rights hereunder and this Agreement does not serve to establish an allocation of any party's share of liability.

7. Hawker and Wag/Bas each agree to timely and fully perform all obligations imposed upon them (or which may seek to be imposed upon Parker and/or Inchcape, other than Parker's and/or Inchcape's cash payment, record access and record retention obligations)

as Settling Defendants under the Second Partial Consent Decree – including, but not limited to, payment of all amounts required of Hawker and Wag/Bas thereunder.

8. This Agreement shall be appended as an Exhibit to the Second Partial Consent Decree. To the extent there is any conflict or difference between the terms of this Agreement and the Second Partial Consent Decree, the terms of this Agreement shall control as between and among the Parties hereto insofar as their respective rights and obligations are concerned.

9. The Parties represent that they have been fully apprised of all material facts regarding the matters settled by this Agreement, and that each has had the benefit and advice of counsel of its choice and therefore enters into this Agreement with full knowledge of the consequences of its actions.

10. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

11. This Agreement contains the final, complete, and exclusive agreement among the Parties and supersedes and prevails over all prior communications regarding the matters contained herein. This Agreement may not be amended, modified, or waived except by an instrument in writing executed by the Parties. This Agreement is executed without reliance upon any promise, warranty, or representation other than those expressly contained herein.

12. This Agreement shall be construed and interpreted according to the laws of the State of California.

13. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. The Parties represent and warrant that the individuals executing this Agreement are empowered and authorized to sign on behalf of the Parties for whom they have signed.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Agreement on the date shown by their signatures below.

HAWKER PACIFIC, INC.

By: David Lokken

Printed: DAVID LOKKEN

Title: PRESIDENT & CEO

Date: 25 October 1996

PARKER-HANNIFIN CORPORATION

By: _____

Printed: _____

Title: _____

Date: _____

PEGGY M. WAGNER
as Trustee of the Wagner Living Trust

Date: _____

INCHCAPE, INC.

By: _____

Printed: _____

Title: _____

Date: _____

JOSEPH BASINGER

Date: _____

13. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. The Parties represent and warrant that the individuals executing this Agreement are empowered and authorized to sign on behalf of the Parties for whom they have signed.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Agreement on the date shown by their signatures below.

HAWKER PACIFIC, INC.

By: _____

Printed: _____

Title: _____

Date: _____

PARKER-HANNIFIN CORPORATION

By: _____

Printed: _____

Title: _____

Date: _____

→ PEGGY M. WAGNER
as Trustee of the Wagner Living Trust

Peggy M. Wagner, Trustee
Date: Oct 28, 1996

INCHCAPE, INC.

By: _____

Printed: _____

Title: _____

Date: _____

JOSEPH BASINGER

Date: _____

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14. The Parties represent and warrant that the individuals executing this Agreement are empowered and authorized to sign on behalf of the Parties for whom they have signed.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Agreement on the date shown by their signatures below.

HAWKER PACIFIC, INC.

By: _____

Printed: _____

Title: _____

Date: _____

PARKER-HANNIFIN CORPORATION

By: _____

Printed: _____

Title: _____

Date: _____

PEGGY M. WAGNER
as Trustee of the Wagner Living Trust

Date: _____

INCHCAPE, INC.

By: _____

Printed: _____

Title: _____

Date: _____

→ JOSEPH BASINGER

Joseph Basinger
Date: 10/28/96

13. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. The Parties represent and warrant that the individuals executing this Agreement are empowered and authorized to sign on behalf of the Parties for whom they have signed.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Agreement on the date shown by their signatures below.

HAWKER PACIFIC, INC.

By: _____

Printed: _____

Title: _____

Date: _____

PEGGY M. WAGNER
as Trustee of the Wagner Living Trust

Date: _____

JOSEPH BASINGER

Date: _____

PARKER-HANNIFIN CORPORATION

By: Christopher H. Morgan

Printed: Christopher H. Morgan

Title: Asst. Gen. Counsel

Date: 10/28/96

INCHCAPE, INC.

By: _____

Printed: _____

Title: _____

Date: _____

13. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. The Parties represent and warrant that the individuals executing this Agreement are empowered and authorized to sign on behalf of the Parties for whom they have signed.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Agreement on the date shown by their signatures below.

HAWKER PACIFIC, INC.

By: _____

Printed: _____

Title: _____

Date: _____

PEGGY M. WAGNER
as Trustee of the Wagner Living Trust

Date: _____

JOSEPH BASINGER

Date: _____

PARKER-HANNIFIN CORPORATION

By: _____

Printed: _____

Title: _____

Date: _____

INCHCAPE, INC.

By: Robert E. Wangard

Printed: Robert E. Wangard

Title: Secretary and Attorney-In-Fact

Date: November 15, 1996

Appendix 1
Releasees

Affiliates of AlliedSignal, Inc.: Garrett Corporation, Bendix Corporation.

Affiliates of California Car Hikers Service, Inc.: Aadlen Bros. Auto Wrecking, Inc., Samson Auto Salvage, Inc., Brothers Foreign Car Auto Wrecking, Inc., Solid Waste General Corp. of America, Inc., Aadlen Bros. Auto Wrecking, Samson Auto Salvage, Brothers Foreign Car Auto Wrecking, U-Pick Parts, A-U Foreign Car Auto Wrecking, "A" Foreign Car Auto Wrecking, Brothers Auto Sales, Samson Auto Sales, Sun Valley Swap Meet, American Truck Salvage Lot, Universal Auto Wrecking, Tuxford-Telfair-Penrose Enterprises, aka TTPE, Adlen Group Enterprises, Adlen Core Supply Co.

Affiliates of Crown Disposal Company, Inc.: ABC, All City, Arrow Pickup, Atomic Disposal, Booth Disposal, Coastal Rubbish, Pacific Pickup, Extra Rubbish, Larey Rubbish, Magic Roll-Off/Magic Disposal, Eagle Disposal, Sav-On Disposal, Superior Waste, W.R. Brown, Vick's Disposal, Diaz Rubbish, Aero Salvage, Disposal Control, Bonanza Disposal, Larry Ironicone, West Coast Rubbish, E-G, Western Reclamation, Community Recycling & Resource Recovery.

Affiliates of Hawker Pacific, Inc.: Dunlop Aviation Division, Dunlop Aviation Canada, Inc., Hawker Pacific Holland, and Flight Accessory Services.

Appendix 2
Notices and Submissions

For AlliedSignal, Inc.

AlliedSignal Aerospace
Vice President and General Counsel
2525 West 190th Street
Law Department
Torrance, CA 90504-6099

For AVX Filters Corporation, U.S. Mikrotec Components, and
Unitrode, Inc.

Craig S.J. Johns
Crosby, Heafey, Roach & May
1999 Harrison Street
Oakland, CA 94612-3573

For Browning-Ferris Industries

Michael L. Miller
Browning-Ferris Industries
757 N. Eldridge Street
Houston, TX 77079

For Joseph Basinger and Peggy Wagner

Aaron Rosen, Esq.
9606 S. Santa Monica Boulevard
Suite 200
Beverly Hills, CA 90210

For California Car Hikers Service, Inc.

Milton Hoffman, General Manager
California Car Hikers Service, Inc.
Adlen Brothers Autowrecking
11409 Penrose
Sun Valley, California 91352

For Chase Chemical Company, Inc.,
Herman and Isabel Benjamin
and The Benjamin Family Trust

Zane S. Averbach, Esq.
Steven L. Feldman, Esq.
Goldfarb, Sturman & Sturman
15760 Ventura Boulevard, Suite 1900
Encino, CA 91436

1 For Crown Disposal Company, Inc.

2 John Richardson, President
3 Crown Disposal Company, Inc.
4 9189 DeGarmo Avenue
5 P.O. Box 1081
6 Sun Valley, CA 91352

7 For E.I. DuPont De Nemours

8 Legal Department D-8042
9 1007 Market Street
10 Wilmington, Delaware 19898

11 For Hawker Pacific, Inc.

12 David L. Lokken
13 President and Chief Executive Officer
14 Hawker Pacific, Inc.
15 11310 Sherman Way
16 Sun Valley, California 91352

17 Robert C. Hamaberg
18 Chairman
19 Hawker Pacific, Inc.
20 c/o BTR Aerospace Group
21 200-1780 Wellington Avenue
22 Winnipeg, Manitoba R3H1B3
23 Canada

24 Edgar P. DeVyllder, Jr., Esq.
25 Vice President and General Counsel
26 BTR, Inc.
27 Stamford Harbor Park
28 333 Ludlow Street
Stamford, CT 06902

Norman B. Berger, Esq.
Varga Berger Ledsky & Hayes
224 South Michigan Avenue
Suite 350
Chicago, IL 60604

For Holchem, Inc.

Mr. Adrian Hol
Corporate Vice President
Holchem, Inc.
1551 North Tustin Avenue
Suite 430
Santa Ana, CA 92701

1 (Holchem, Inc., cont'd.)
2 and
3 Richard Montevideo, Esq.
4 Rutan & Tucker
5 P.O. Box 1950
6 Costa Mesa, CA 92628-1950
7
8 For Inchcape, Inc.
9
10 Robert Wangard, Esq.
11 Ann Beckert, Esq.
12 Ross & Hardies
13 150 North Michigan Avenue
14 Chicago, ILL 60601-7567
15
16 For Los Angeles By-Products Co.
17 Los Angeles By-Products Co.
18 1810 East 25th Street
19 Los Angeles, CA 90058
20 Attn.: M.R. McAllister
21
22 Greenwald, Hoffman & Meyer
23 500 N. Brand Blvd., Ste. 920
24 Glendale, CA 91203-1904
25 Attn.: L.F. Meyer
26
27 For Los Angeles County Metropolitan Transportation Authority
28 Ronald W. Stamm
Deputy County Counsel
Transportation Division
One Gateway Plaza
Los Angeles, CA 90012-2932
For Nupla Corporation
J. Allen Carmien
Chairman, CEO, President
Nupla Corporation
11912 Sheldon Street
Sun Valley, CA 91352
Kurt Weissmuller, Esq.
McClintock, Weston, Benshoof,
Rochefort, Rubalcava & MacCuish LLP
444 South Flower Street, Suite 4300
Los Angeles, CA 90071
For Parker-Hannifin Corporation
Christopher Morgan, Esq.
Parker-Hannifin Corporation

1 17325 Euclid Avenue
2 Cleveland, OH 44112

3 Joann Lichtman, Esq.
4 Howrey & Simon
550 South Hope Street, Suite 1400
6 Los Angeles, CA 90071

7 For Price Pfister, Inc.

8 Linda L. Biagioni
9 Vice President, Environmental Affairs
10 Black & Decker Corporation
11 701 E. Joppa Rd.
12 Towson, MD 21204

13 For Sundstrand Corporation

14 Sundstrand Corporation
15 4949 Harrison Avenue
16 P.O. Box 7003
17 Rockfort, Ill. 61125-7003

18 and

19 Michael Hickok, Esq.
20 11444 West Olympic Blvd.
21 10th fl.
22 Los Angeles, CA 90064

23 For Jean W. Blomberg:

24 Jean W. Blomberg
25 2386 Saddleback Drive
26 Danville, CA 94506

27 and

28 Michael Hickok, Esq.
11444 West Olympic Blvd.
10th fl.
Los Angeles, CA 90064

For Joan O'Brien

Joan O'Brien
1031 N. Fair Oaks
Sunnyvale, CA 94089

and

Michael Hickok, Esq.
11444 West Olympic Blvd.
10th fl.
Los Angeles, CA 90064

1 For Gary O'Brien

2 Gary O'Brien
3 9 Dawn Place
4 Mill Valley, CA 94941

5 and

6 Michael Hickok, Esq.
7 11444 West Olympic Blvd.
8 10th fl.
9 Los Angeles, CA 90064

10 For William E. Tolson:

11 William E. Tolson
12 999 Green St.
13 Apartment 1001
14 San Francisco, CA 94133

15 and

16 Michael Hickok, Esq.
17 11444 West Olympic Blvd.
18 10th fl.
19 Los Angeles, CA 90064

20 For H.R. Textron and Textron, Inc.

21 Michael Hickok, Esq.
22 11444 West Olympic Blvd.
23 10th fl.
24 Los Angeles, CA 90064

25 For Western Waste Industries

26 Timothy Gallagher, Esq.
27 Gallagher & Gallagher
28 611 West Sixth St., Suite 2500
Los Angeles, CA 90017

